



**U.S. Department of Justice**

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**For Immediate Release:**

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Oct 22, 2007

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**EVENT: Sentencing**

**Defendant: Zack Brown et al**

**DETROIT DOCTOR SENTENCED TO 16 YEARS  
ON \$ 2.5 MILLION HEALTH CARE FRAUD SCHEME**

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A Detroit doctor and his biller were sentenced today in federal court in Detroit as a result of having been found guilty by a jury on 80-counts of health care fraud, mail fraud and conspiracy to commit both crimes, United States Attorney Stephen J. Murphy announced.

Murphy was joined in the announcement by Andrew G. Arena, FBI Special Agent in Charge, Lamont Pugh III, Special Agent in Charge, HHS-OIG, and Gregory W. Anderson, Vice President, Corporate and Financial Investigations, BCBSM.

Dr. Zack Brown, 61, and Davell Culberson, 68, were found guilty in May 2007 of conspiring to submit more than 19,000 phony claims to Blue Cross Blue Shield of Michigan ("BCBSM") in an effort to steal more than \$775,000 from the insurer. At sentencing, the Court determined that the two defendants submitted more than 80,000 false claims, totaling over \$2.5 million.

Dr. Brown, who had two prior felony convictions, was sentenced to 200 months (16.6 years) in federal custody, followed by a 3-year term of supervised release.

Davell Culberson was sentenced to 3 years in federal custody, followed by a 3-year term of supervised release.

Brown and Culberson were also ordered to pay \$ 1,130,466.55 in restitution to BCBSM and Medicare.

United States Attorney Murphy said “Health care fraud on a grand scale will result in serious prison time. That’s the message of today’s sentence for Dr. Zack Brown and his accomplice. When a doctor submits thousands of false claims to a health insurance company, it imposes terrible costs on the system, not only in paying fabricated medical bills for non-existent treatment, but also in dealing with the mess the scheme has left behind.”

The sentence was imposed by United States District Judge Marianne Battani. Imposing the sentence, Judge Battani noted that more than 140 phony patients were recruited by Dr. Brown in the course of the scheme, including 12 that were also convicted of felonies and more than 30 that entered into pretrial diversion agreements in this prosecution.

Addressing the defendant, Judge Battani said, “I have never in 20 years as a judge seen a case that impacted so many people as this scheme of yours. The public needs to be protected from people like you. You need to go away where you are not going to be able to harm other individuals.”

Gregory W. Anderson, Vice President, Corporate and Financial Investigations, BCBSM said, “We would like to thank the FBI, OIG-HHS, and U.S. Attorney’s Office for their unrelenting efforts to bring these defendants to justice. The sentence handed down today by Judge Battani sends a clear message to those thinking of committing health care fraud that crime does not pay. I would like to urge anyone that suspects health care fraud to call our toll-free anti-fraud hotline at 1-800-482-3787.”

Lamont Pugh, Special Agent in Charge, U.S. Department of Health and Human

Services, Office of Inspector General, Office of Investigations said, "In perpetrating fraud against Medicare and the private health care insurance industry, Dr. Brown and Davelle Culberson caused a great disservice to the public trust. Health care fraud is a very serious offense and today's sentencing shows that health care fraud will be prosecuted to the fullest extent of the law."

The convictions of Brown and Culberson followed a seven-year joint investigation by FBI, U.S. Health and Human Services, Office of the Inspector General ("HHS-OIG") and BCBSM corporate fraud investigative unit.

Brown and a group of eight recruiters convinced BCBSM subscribers that if they could use their BCBSM cards, they would get to keep half of more than 500 checks, which averaged \$3,000 to \$8,000.

Thus far, BCBSM has recovered more than \$40,000 in restitution payments from the co-conspirators.

The evidence at trial showed Brown and his recruiters told BCBSM subscribers they could share in up to half of the amount the doctor falsely billed in their name if they would cash the checks they received from BCBSM and split the money with the doctor. Brown was not able to directly bill BCBSM because of questionable billing in the past. Once these "phony patients" signed up, Brown paid Culberson \$300 a day in cash to submit claims for anywhere from 100 to 4,700 phony physical therapy services for each patient during the previous year, generating checks from BCBSM of between \$2,000 and \$13,000 to the "phony patients" who then split the money with Brown.

Recruiters received from \$100 to \$300 each time they brought Brown cash from BCBSM subscribers they recruited. Most of those recruited to participate never met Brown and received no services. Two "phony patients" received checks totaling more than \$59,000 and were allowed to keep about half that amount. Many of the BCBSM checks were co-signed by recruiters or Brown and cashed at two or three party stores near Brown's office.

Mr. Murphy commended the excellent work of the trial team of Assistant U.S. Attorneys

James Mitzelfeld and Stephen L. Hiyama, as well as the FBI, the HHS-OIG, and the BCBSM corporate fraud unit.